

Guidelines & Implementation Manual

NEIGHBORHOOD INITIATIVE PROGRAM

A Hardest Hit Fund Program



300-C Outlet Pointe Blvd.
Columbia, SC 29210
www.schousing.com

6/09/17

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Program Overview

The goal of the Neighborhood Initiative Program (NIP) is to stabilize property values through the removal of blighted properties in strategically targeted areas in an effort to prevent future foreclosures for existing property owners. NIP will assist communities by stemming the decline of home values and acting as a catalyst to initiate redevelopment and revitalization in areas suffering from blight and decline. Demolition of blighted properties will have a positive effect on preserving existing neighborhoods. NIP is a joint venture of the South Carolina State Housing Finance and Development Authority and the SC Housing Corp., a not-for-profit corporation. NIP is made possible by the U.S. Department of the Treasury.

Contact Information

Each Lead Entity will have a NIP staff member to be their assigned program representative. All program related documents and reports will be submitted to the assigned program representative. Questions concerning the Neighborhood Initiative Program should initially be directed to the Lead Entity’s assigned program representative; however, if the assigned program representative is unavailable, contact any of the other NIP staff member listed below for assistance.

NIP Staff	Phone	Fax	Email
Jennifer Cogan Development Awards Manager	803-896-9824	803-551-5991	Jennifer.cogan@schousing.com
Demian Carpenter	803-896-8741	803-551-4887	Demian.carpenter@schousing.com
Jeff Lauffer	803-896-9345	803-551-4976	Jeffrey.lauffer@schousing.com
Kelli Lawing	803-896-9843	803-551-4994	Kelli.lawing@schousing.com
Patricia Simmons Financial Analyst II	803-896-8710	803-551-4868	Patricia.simmons@schousing.com

Program Calendar

In general, Round 1 and Round 2 projects must be completed and all funds expended prior to December 1, 2017. However, specific time frames have been established for the completion of each award in the Program Notice 10. Quarterly reporting will be required throughout the award period and NIP staff will continue compliance monitoring through the release of the NIP Lien. NIP staff will closely monitor the progress of all awards. Participants not progressing and expending funds within required time frames will have awards reduced or de-obligated. NIP staff reserves the right to recapture and reallocate funding to ensure all funds are expended by the imposed deadlines.

Round 1

- Site Control Deadline March 31, 2017
- Acquisition Deadline June 30, 2017
- 100% Expenditure Deadline.....December 1, 2017

Round 2

Acquisition Deadline	June 30, 2017
1 st Quarterly Report Due.....	January 15, 2017
100% Expenditure Deadline.....	December 1, 2017

**The above dates are time frames for the overall program. Specific requirements to meet program benchmarks are provided in Program Notice 10. NIP staff reserves the right to adjust the dates set forth above as needed to meet and address program needs.*

Definitions

ABANDONED PROPERTY means a vacant residential structure that meets one of the following conditions: Mortgage or tax foreclosure proceedings have been initiated. Mortgage or tax payments are at least 90 days delinquent. The property has been boarded up for at least 90 days.

APPLICATION means a Lead Entity’s proposal submitted in response to the **Request for Proposals**.

AUTHORITY means the South Carolina State Housing Finance and Development Authority.

BLIGHT ELIMINATION PLAN means the manner by which a Lead Entity proposes to collaborate with Partners to undertake the selective or wholesale acquisition and demolition of vacant blighted properties in target areas that are part of a comprehensive strategy to stabilize home values and prevent foreclosure.

BLIGHTED STRUCTURE is a residential structure that exhibits objectionably determinable signs of deterioration sufficient to constitute a threat to human, health, safety, and public welfare. A parcel that has one or more of the following conditions is considered to be blighted:

1. A residential structure that is dilapidated, unsanitary, unsafe, or vermin infested and that because of its condition has been designated by an agency that is responsible for the enforcement of housing, building, or fire codes as unfit for human habitation or use;
2. A property that poses a direct threat to public health or safety in its present condition by reason of environmentally hazardous conditions, solid waste pollution, or contamination;
3. A property identified by law enforcement, fire department or building code enforcement officials as being a nuisance to the community due to its deteriorated physical condition or the presence of illegal activities occurring on or in close proximity to the property such as gang activity, drugs, prostitution, vagrancy, arson, or vandalism.
4. A property that has been in such a prolonged state of neglect and disrepair it requires an investment in excess of 75% of its current value to bring it up to minimum code requirements to meet habitability standards.

EESA means the Emergency Economic Stabilization Act created by Congress in 2008 which implemented the Troubled Asset Relief Program (TARP) overseen by the Office of Financial Stability and the U.S. Department of the Treasury.

GREENING includes mandatory the site restoration requirement to grade and seed all properties after demolition has been completed. Greening also includes site restoration that goes beyond mandatory requirements, such as landscaping, fences, architectural elements, community gardens, etc.

HARDEST HIT FUND established by President Obama in 2010 to provide aid to families in states hit hard by the economic and housing market downturn. The HHF provides funding for state housing finance agencies to develop locally tailored foreclosure prevention solutions in areas that have been hard hit by home price declines and high unemployment.

LEAD ENTITY means the eligible government entity that submitted an Application pursuant to the **Request for Proposals** to participate in the NIP program.

NIP ACTIVITY means an activity being undertaken by a Partner that is limited to a specific target area, has an established budget, and a projected number of units that will be demolished and greened. Multiple Partners can undertake activities in the same target area and Partners can undertake multiple activities in one or more target areas. Activities are identified in Exhibit A of the written agreement.

NON-RESIDENTIAL means a property that is not zoned for residential use. Non-Residential includes, but is not limited to, vacant land or property primarily used for agricultural, commercial, office or industrial purposes, including commercial hotels.

PARTNER is a non-profit organization selected by the Lead Entity to be the responsible party that will take on ownership of NIP properties.

PROGRAM means Neighborhood Initiative Program, and may also be abbreviated as “NIP.”

QUALIFYING LOAN means the NIP Note, Mortgage and Security Agreement that will be modified upon completion of the property with the NIP Assignment and Modification Agreement.

RESIDENTIAL means a property that contains a structure that is zoned for residential use, or is currently or has been used as a residential dwelling. A residential property must have a unique street address. Secondary structures associated with the residential dwelling and unique address are considered residential.

SCHC means SC Housing Corp.

SCHFDA means the South Carolina Finance and Development Authority.

TARGET AREA is an area in which NIP demolition activity is proposed to occur as identified in the approved **Blight Elimination Plan** submitted in the Application.

VACANT PROPERTY Properties must be vacant at the time of submission. A property is considered vacant when the following conditions exist: not occupied by a legal resident; boarded up windows/doors; overgrown or dead vegetation; accumulation of newspapers, circulars, flyers or mail; past due utility notices or disconnected utilities; accumulation of trash, junk or debris; the absence of

window coverings such as curtains, blinds or shutters; the absence of furnishings or personal items consistent with residential habitation.

Getting Started

Written Agreements

Each Lead Entity and their Partners are required to execute a NIP Written Agreement. The written agreement will be executed by SCHC, the Lead Entity, and each of the Partners. Once the written agreement has been executed, it must be submitted to the Lead Entity's NIP program representative. Each executing party must retain a copy of the written agreement with the original signatures for their records. The written agreement must be executed by each party and submitted to NIP staff prior to the commencement of activities. Amendments and extensions to agreements must be requested in writing from the Lead Entity.

Technical Assistance

Lead Entities and their Partners will be required to participate in a **NIP Implementation Training** which will inform entities on the requirements of the program. Attendance at the Implementation Training is mandatory for all Lead Entities and Partners. The training will be held at the office of SCHFDA at 300-C Outlet Pointe Blvd., Columbia, SC 29210. In addition to Implementation Training, NIP staff are available for technical assistance training as needed. As the program progresses NIP staff will initiate other trainings as deemed necessary. Any time a project faces barriers or impediments that have an effect on progress and completion goals, the Lead Entity must notify NIP staff promptly in order for assistance to be provided to address obstacles.

Distribution of Information

Program information, such as notices and reminders of approaching deadlines, will be communicated primarily by email. The information for each contact person identified in the Application has been included on the program distribution list. If there are additional staff members of Lead Entities and Partners that need to be included to the email distribution list, email the name, organization, title, address, phone number and email address of these staff members to Kelli Lawing.

A copy of this Manual, program forms, and notices will be posted on the NIP web page at the web address below. Lead Entities and Partners will be notified via email of any revisions or updates to the Implementation Manual.

http://www.schousing.com/Housing_Partners/Neighborhood_Initiative_Program

General Program Requirements

Public Disclosure Requirements

COMMUNITY AWARENESS

Lead Entities and Partners must keep the community informed about the NIP activities that will be undertaken in their neighborhoods and communities. Property owners in the nearby vicinity must be notified of when and where demolitions are expected to occur. The use of community meetings, flyers, and door hangers are effective communication tools that can be used to keep neighbors informed of NIP activities and address any concerns they may have. Lead Entities and Partners must maintain records of efforts put forth to keep the community informed and involved in the process.

Lead Entities must ensure best practices, such as appointing a staff member to be responsible for community outreach and relations, are taken. Contact information should be readily available to citizens so questions and concerns can be addressed promptly. Best practices for community relations specific to NIP must be in place prior to the commencement of demolition activity.

PRESS RELEASES AND PUBLIC STATEMENTS

Applicants or Partners may not disseminate any press releases or public statements relating to NIP without the express written consent of the Authority. Drafts of all press releases must be submitted to the Authority for review and approval. Under no circumstances are press releases to be released without prior written consent from NIP staff. If contacted by a member of the media concerning NIP or any matters arising due to participation in the program, you must direct the inquiry to the Authority. Any mentions of NIP in local media should be forwarded to NIP staff upon awareness of such media coverage.

TRANSPARENCY

Applicants and Partners must ensure a high level of transparency is maintained for the NIP activities that are being undertaken. Program information such as participating Partners, Target Areas and their allotted budgets, and estimated units to be demolished should be available on the Lead Entity's website. The web address upon which NIP program information is posted must be provided to NIP staff as soon as information is posted on the Lead Entity's website.

Conflict of Interest

The following conflicts of interest that may arise in connection with the administration and execution of the program are prohibited:

1. Conflicts arising in the selection or hiring of contractors or advisors, including asset managers
2. The purchase of assets
3. The management of assets held
4. Post-employment restrictions on employees
5. Other potential conflicts of interest, as deemed necessary or appropriate in the public interest

Lead Entities and Partners must maintain in their procurement and selection procedures, a written code of conduct to govern the performance of their officers, employees or agents in contracting with and expending NIP funds. Written procurement and selection procedures must contain the following regarding conflicts of interest:

1. **Applicability:** In the procurement of property and services and the purchase of assets by the Lead Entities or Partners, the provisions of this section apply.
2. **Conflicts Prohibited:** Personal conflicts are prohibited. No persons or entities described in this section who exercise or have exercised any functions or responsibilities with respect to activities assisted with NIP funds, or who are in a position to participate in a decision-making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a NIP-assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds there under, either for themselves or those with whom they have family or business ties.
3. **Persons Covered:** The conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official, or owner of a project assisted with NIP funds.
4. **Disclosure Requirements:** Persons/Entities performing services for NIP activities have an affirmative duty to immediately disclose any existing or potential conflicts of interest and/or prohibited activities concerning themselves or any other person performing services related to NIP.
5. **Certification Requirements:** NIP participants awarding contracts and/or purchasing properties are required to execute the *NIP-9 Conflict of Interest Certification Form*.

Financial Management

FINANCIAL ACCOUNTABILITY

Financial Management requirements must be provided to the appropriate finance staff of the Lead Entity and Partner. Lead Entities and Partners must maintain complete and accurate financial records for all transactions performed under the NIP agreement. Audited financial statements must be submitted annually to NIP staff for review no later than nine (9) months from the end of the entities fiscal year. Financial statements must be compiled, reviewed or audited by an independent CPA licensed by the State of South Carolina Board of Accountancy. Financial Statements must include an Income Statement and Balance Sheet. NIP funds are not subject to the Single Audit Act of 1984 (as amended in 1996) and are not associated with a Catalog of Federal Domestic Assistance (CFDA) number. Administrative expenses are subject to 2 CFR Part 200.

The NIP recipient's financial management systems must have a budget control system that makes it possible to compare actual expenditures with budgeted amounts for each supported activity. Recipients must have a cash management procedure in place that minimizes the elapsed time between receipt and expenditure of NIP funds. Recipients must monitor the cash management to ensure that systems are in compliance. Financial management systems must also have sound internal control procedures that cover cash, real property, and other assets. The internal control system must safe guard all NIP funded property and ensure that such property is used solely for authorized purposes.

FINANCIAL RECORDS

Separate accounting records must be maintained for NIP funds. The co-mingling of funds is not permitted. NIP funds must be kept in a non-interest bearing account. Not only will separate records serve to meet required recordkeeping requirements, but it will also eliminate potential conflicts with the

Lead Entity or Partner's usual recordkeeping systems, which may reflect a different local fiscal year or accounting functions by department rather than by property and activity. In addition, separation of accounts reduces conflicts with other funds. All records and correspondence pertaining to NIP must reflect the award number. At the time of a financial review, whether it is during the oversight period of the program or during the three (3) year lien period, the ledger and journals listed below must be available for review. The ledger and journals should be able to demonstrate that a budget control system exists in the accounting record system.

Financial records must be fully supported with source documentation. Examples of source documentation include: contracts, canceled checks, wire transfers, paid bills, invoices, draw request documents, deposit slips or other original documents supporting income or expenditures. This documentation must be on hand at the time disbursements are made and must be kept in one central location.

Lead Entities and Partners are required to establish procedures for recording NIP-related transactions and establishing the appropriate checks and balances for accounting transparency:

a. General Ledger

This ledger must be maintained to summarize cash receipts and disbursements on property basis. Entries to the General Ledger must be made from the Cash Receipts and Cash Disbursements Journal and must be kept separately for each activity.

b. Cash Receipts Journal

This journal must be maintained to record the receipt of all funds (local, state and federal) used for program activities. The journal must include the date funds were received, the amount of funds received, the source of funds and the properties for which the funds were received.

c. Cash Disbursements Journal

This journal must be maintained to record checks issued for payment of program costs. It must include the date of payment, the payee, check number, amount and the property for which the disbursement was made against.

d. Project Summary Journal

This journal is required for NIP-funded projects which have multiple activities. This journal contains entries for each receipt and disbursement related to a particular activity or project. It also contains reference numbers to the Cash Receipts and Disbursements Journals. A cash balance column is used to keep a running balance of the difference between receipts and disbursements.

e. General Journal

This journal may be maintained to enter all non-cash transactions. These entries must include a long-line statement to explain the origin or reason for the amount. The amount is then entered into the General Ledger.

Questions related to financial management should be directed to Patricia Simmons, Financial Analyst II at 803-896-8710 or patricia.simmons@schousing.com.

FINANCIAL MONITORING/REPORTING FRAUD

Lead Entities and Partners may be selected to be monitored at any time by SCHC, the U.S. Department of the Treasury, or the Special Inspector General for the Troubled Asset Relief Program (SIGTARP). Lead Entities and Partners are obligated to report any credible evidence of fraud, misuse of funds, or any other wrong doing to either SC Housing or SIGTARP at the following addresses:

Internal Audit Division – SC Housing

300-C Outlet Pointe Blvd.

Columbia, SC 29210

<http://schelp.gov>

(Select “Fraud Alert” from the “About” drop down box.)

(803) 896-9001

SIGTARP

TOLL FREE HOTLINE (877) SIG-2009

<https://sigtarp.gov/Pages/crimetips.aspx>

Recordkeeping Requirements

PROPERTY FILE CHECKLISTS

To ensure consistency in the manner records are maintained, Lead Entities/Partners must use the **NIP-1 Property File Checklist** to organize and maintain program records relative to NIP properties. The checklist ensures the consistent organization of records across all organizations participating in the program and serves as a tool to track and document program compliance.

RECORDKEEPING REQUIRMENTS

Each Lead Entity and Partner must establish and maintain sufficient records that clearly and satisfactorily demonstrate that program requirements are being met. All records must be retained for a period of three (3) years after the release of the final NIP lien. Lead Entities and partners must provide records with respect to any questioned costs, audit disallowances, litigation or dispute between the Lead Entity and/or Partner and SCHC shall be maintained for the time needed for the resolution of said question and that in the event of early termination of the funding agreement, or if for any reason SCHC shall require a review of the records related to NIP, participants shall, at their own cost and expense, segregate all such records related to NIP from its other records of operation.

Lead Entities and Partners must provide citizens, public agencies, and other interested parties with reasonable access to records, consistent with applicable state and local laws regarding privacy and obligations of confidentiality. SCHC, U.S. Treasury, and the Special Inspector General for the Troubled Assets Relief Program (SIGTARP), and any of their representatives, will have the right of access to any pertinent books, documents, papers or other records of the participants, in order to make audits, examinations, excerpts and transcripts.

IN GENERAL

SCHC's policy governing the security and confidentiality of personal information applies to all forms of collection of personal information. The purpose of this policy is to ensure that persons/entities performing services for SCHC know and understand the proper procedures for the collection, use and destruction of personal information. Nothing in this policy should be construed to create any new or different rights other than those available under existing State and Federal laws.

COLLECTION OF PERSONAL INFORMATION

Personal Information is information about an individual that could reasonably be used to identify or describe that specific individual. This may include but is not limited to the following:

- Name
- Photograph or Digitized Image
- Social Security Number
- Date of Birth
- Driver's License Number
- Home Address or Telephone number
- Medical or Disability Information
- Education Level
- Financial Status
- Bank Account Numbers
- Credit or Debit Card Numbers
- Employment History
- Credit Records or Reports

DISCLOSURE OF PERSONAL INFORMATION

Persons/Entities performing services for SCHC shall not disclose personal information except under the following circumstances:

- When such disclosure is necessary for the receiving entity to perform its duties or responsibilities
- On a document recorded in the official records of the county or filed with the courts
- Where disclosure is required by court order, warrant or subpoena
- Where disclosure is required by State or Federal law

SECURITY OF PERSONAL INFORMATION

It is the intent of SCHC to provide consistent, proper and secure management of personal information. The following rules help prevent the loss or misuse of personal information.

- Access to personal information is limited to persons/entities that require access in order to perform their assigned duties.

- Staff members of Lead Entities and Partners performing services for NIP are required to sign a ***NIP-13 Confidentiality Agreement***. The confidentiality agreement covers information that is considered confidential by SCHC, including but not limited to personal and financial information.
- SCHC is committed to data security and the data quality.
- Any third party vendors with access to NIP data systems and networks are committed to the same principles and are required by contract to follow the same policies and guidelines as SCHC in protecting this information.

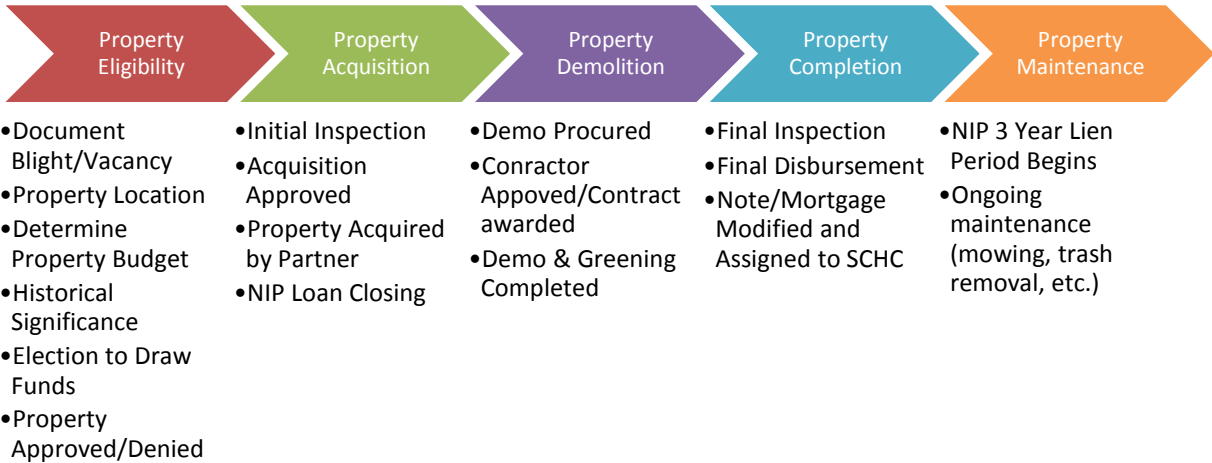
If any person/entity performing services for SCHC reasonably believes that personal information has been compromised, NIP staff must be notified as soon as possible. If it is determined that personal information has been compromised and it is believed that illegal use may occur, immediate steps will be taken to identify and notify the individual whose personal information has been compromised.

DISPOSAL OF PERSONAL INFORMATION

Before disposing of business records containing personal information, persons performing services for SCHC will make such records unreadable or undecipherable. SCHC may contract with a person engaged in the business of disposing of records to ensure that business records containing personal information are made unreadable or undecipherable. Before disposing of information technology hardware, copiers or storage media, all personal and confidential information will be removed and the hardware, copiers or storage media will be sanitized.

Completing Activities

Process Flow for Completion of Activities



Note: The above chart is an example of the typical process flow for completing activities. Circumstances such as the election to draw funds and current property ownership may require slight deviations from the specific steps involved in the process.

Property Budgets and Eligible Expenses

NIP funding is limited to \$35,000 per property. Lead Entities and Partners must consider budget projections carefully when identifying and selecting eligible properties to acquire. Eligible costs and expected expenses need to be determined, encompassing all parameters of the activity from acquisition through lien release. Prior to acquiring properties, serious consideration must be taken to determine whether or not a property can be acquired, demolished, greened, and maintained within the fiscal constraints of the program. Environmental factors, such as asbestos remediation, may require that certain properties, if pursued, will need other sources of funding in addition to NIP if costs exceed program limitations. Lead Entities/Partners may elect to do preliminary testing on properties for asbestos and other contaminants to better determine expected remediation costs; however, preliminary expenses such as asbestos testing, title searches, etc. for properties that are not acquired and demolished as part of the NIP portfolio are not eligible and cannot be reimbursed. These expenses may be absorbed by the project management fee.

NIP funds must be used for all, or a portion, of the demolition **AND** greening expenses of each property. Acquisition expenses are not eligible if the property was acquired by the Partner prior to the inception of the program. Expenses necessary for the transfer or sale of a property from the Lead Entity to a Partner are eligible.

NIP funds can be used for the following reasonable and necessary expenses:

Acquisition Costs –

- Title expenses
- Appraisals
- Purchase price (NIP funds expended not to exceed fair market value)
- Payment and release of liens against the real estate (eligibility subject to review)
- Reasonable and necessary expenses required for acquisition
- NIP loan closing expenses

Pre-Demolition Costs –

- Bid/contract preparation
- Legal advertisements
- Environmental assessments and remediation (asbestos, lead-based paint, etc.)
- Permits/inspection fees
- Costs necessary to board up or secure property
- Property Insurance

Hard Demolition Costs –

- Demolition/clearance of residential buildings
- Clearance of debris/garbage (illegal dumping, junk vehicles, etc.)
- Clearance of accessory structures (poles, fences, driveways, etc.)
- Removal of underground storage tanks and utility services
- Removal and/or capping of septic systems and wells

Site Greening –

- Mandatory grading and seeding
- Additional greening that goes beyond basic site restoration such as landscaping, fences, architectural elements, etc.,)

Maintenance Costs –

- Maintenance fee of \$3,000 per property

Administrative Expenses –

- Administrative expenses of \$1,750 per property

Questions about eligible costs should be referred to NIP staff. It is the responsibility of the Lead Entity and Partner to determine whether a cost is eligible prior to incurring the expense. *Refer to **Program Notice 9** for the maximum allowable amounts for eligible costs.

Property Approval Process

To receive approval for a property a **NIP-2 Property Eligibility Form** must be submitted to your assigned NIP Program Representative. Property approval forms must include all required documentation to be

reviewed. Specific requirements of items that need to be submitted are provided on the form. The submission of incomplete documentation will significantly slow down the approval process.

NIP staff must approve the eligibility of each property. It is highly recommended that Lead Entities and/or Partners receive approval for a property's eligibility prior to incurring expenses related to the property. Expenses incurred for ineligible properties cannot be reimbursed. Eligible properties must be vacant and blighted standard residential properties located in the Target Areas approved in the NIP written agreement. Properties must be vacant at the time of submission. Properties cannot be listed on any historical register, National or local. Properties located in historical districts will be submitted to SHPO for review, which is expected to add 2-3 weeks to the approval process. Properties can be single-family (1-4) units or multi-family (5+) units. Property eligibility is determined by, but not limited to; vacancy, habitability, structural condition, historical significance, its impact on community preservation and public safety and budget constraints.

The following property types are **NOT** eligible for NIP funding:

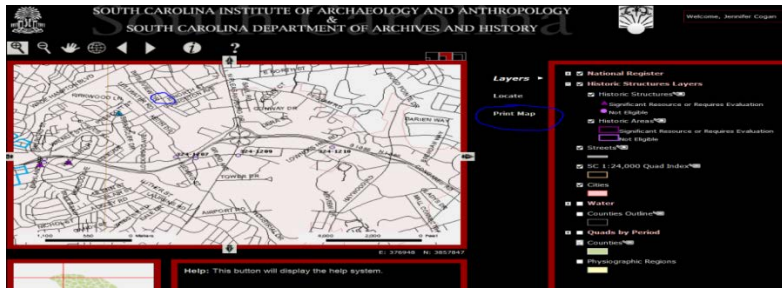
- Non-residential/commercial properties
- Properties listed on a national, state, or local historic register
- Properties located in historic districts considered by SHPO to be "Contributing"
- Properties not considered blighted or abandoned
- Properties that are occupied
- Isolated properties not in close proximity to other residential properties
- Vacant lots

All structures on a parcel containing multiple structures or buildings must qualify to be demolished. Properties containing both blighted and non-blighted structures are not eligible. In addition to being located in an approved target area, eligible properties must be located within close proximity to neighboring properties. Isolated properties in rural areas are not eligible. In order for demolition and greening to have the desired impact, properties must be in the nearby vicinity of other properties that will benefit from the removal of the blighted structure. Mobile homes are eligible properties, however, to ensure that such homes are not moved to other locations, evidence that the mobile home was destroyed and disposed of must be provided with the request for final inspection.

HISTORICAL PRESERVATION

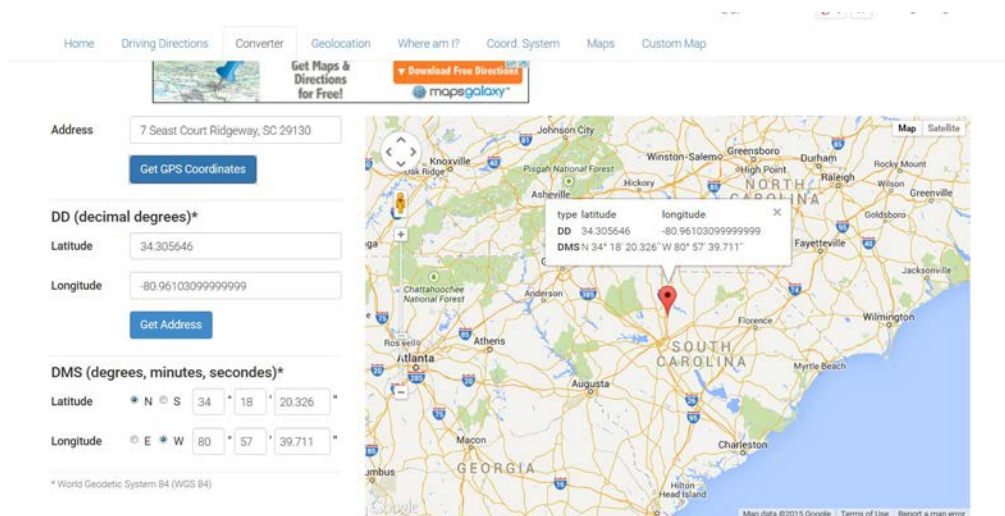
Documentation of a property's historical status must be provided with the ***NIP-2 Property Eligibility Form***. A map printed from the Department of Archives & History's ArchSite (or equivalent system) must be submitted that demonstrates the property is not listed on any type of historical register. Staff persons responsible for verifying a property's historical status will need to go to the address provided below and create a "Public View" account to access the site. The "Public View" version of ArchSite can be used at no charge. If a property is located in a historic district or if for any reason a property's historical significance cannot be clearly determined, such properties will be submitted by NIP staff to the State Historic Preservation Office (SHPO) for a determination. Properties submitted to SHPO will be put on hold until a determination has been made by SHPO.

[http://archsite.cas.sc.edu/ArchSite/\(cpxcsh45sclsgm45ulktga45\)/Login.aspx?ReturnUrl=%2fArchSite%2fDefault.aspx](http://archsite.cas.sc.edu/ArchSite/(cpxcsh45sclsgm45ulktga45)/Login.aspx?ReturnUrl=%2fArchSite%2fDefault.aspx)



PROPERTY LOCATION

Each property's GPS coordinates must be provided on the **NIP-2 Property Eligibility Form**. A property's coordinates can be verified using the google maps tool located at the link below.
www.gps-coordinates.net/gps-coordinates-converter.



Acquiring Properties

Acquisition expenses paid for with NIP funds are limited to the fair market value of the property and related costs that are reasonable and necessary to purchase the property. The amount of acquisition costs paid for with NIP funds may not exceed fair market value. The appropriate documentation to determine fair market value must be submitted to NIP staff for approval of the purchase price. When the amount of NIP funding expended for acquisition is less than \$25,000 the required documentation is either an appraisal, broker opinion of value, or the most recent tax valuation. When the amount of NIP funding expended for acquisition is equal to or exceeds \$25,000 the required documentation is either an appraisal or broker opinion of value. Requirements for a broker opinion of value are listed below. Other

resources to determine fair market value may be considered on a case-by-case basis. NIP staff reserve the right to require an appraisal should fair market value not be clearly determined by the tax valuation.

Broker Opinion of Value Requirements:

- identification of the subject property
- date prepared
- defined value or price
- limiting conditions, including statements of purpose(s) and intended user(s)
- any present or contemplated interest, including the possibility of representing the seller/landlord or buyers/tenants
- basis for the opinion, including applicable market data (recently sold and currently listed)
- Credentials of the Broker providing the Non-Appraisal Opinions of Value. Full Name, License Number, and Expiration.

Lead Entities and Partners are urged to use caution when entering into options or contracts to acquire properties. The incorporation of language informing the seller that the transaction is dependent upon the approval of a property's inclusion into the program is strongly recommended. **Properties must pass an initial inspection prior to funds being released for acquisition.** Acquisition expenses can include the costs for the payment and release of liens placed on the property. The following items listed below represent typical items that need to be submitted; however it is not all inclusive. Requirements will differ depending on the specific circumstances of the acquisition such as whether or not a property has been acquired as part of the program or was previously owned. In any case, clear direction will be provided on the specific requirements for the property by NIP staff.

In all circumstances, a property must be owned by the Partner prior to demolition. No exceptions can be made to this requirement. Properties may be acquired as part of the NIP transaction or may already be owned by the Lead Entity or Partner. If a property was acquired by a Partner prior to program inception (10/17/14), funds may not be requested for the reimbursement of acquisition costs. Acquisition costs for the sale of a property from the Lead Entity to a Partner are allowable as long as the amount of NIP funds expended for acquisition does not exceed current fair market value. NIP note and mortgage will be issued to the Partner for each property after the property eligibility has been approved and the acquisition process has been completed (or at closing is applicable). The NIP note and mortgage will be modified upon approval of the final inspection with the Assignment and Modification Agreement.

Pre-Acquisition – Submit for Approval Prior to Purchase

- Sales contract with documentation of fair market value (appraisal, broker opinion of value, most recent tax assessment value, tax foreclosure or forfeiture documents, other valuation methods as approved by NIP staff).
- **NIP-9 Conflict of Interest Certification**

****If funds are needed for closing, in addition to the property passing an initial inspection, the following must be submitted at least (14) business days prior to closing:***

- **NIP-3 Loan Closing Request Form** with a legal description for the NIP note and mortgage "Exhibit A", prepared by the closing attorney in a word.doc format. The legal description must include a derivation clause referencing the sale of the property from the owner to the Partner organization.
- **NIP-10 Disbursement Request Form**

- Draft of HUD-1
- Unexecuted Deed
- Invoices for expenses paid outside of closing (if applicable)
- Closing Attorney's W-9 Form

Post-Acquisition - Submit to Document Partner has Acquired the Property – MUST SUBMIT PRIOR TO DEMOLITION

- Recorded Deed
- Executed copy of the HUD-1 (if applicable)

Loan Closing Requirements

A ***NIP Note, Mortgage and Security Agreement*** must be closed and recorded at the time a Partner acquires a property, or promptly thereafter. Closing documents must be recorded prior to the release of funds. A significant component of compliance for the NIP program is that in conjunction with the disbursement of NIP funds at project completion, the ***NIP Note, Mortgage and Security Agreement*** are assigned and modified to SCHC by virtue of the ***Assignment and Modification Agreement***. The Partner will execute a note and mortgage given to either SCSHFDA or the Lead Entity in an amount up to \$35,000 per property. The Lender of the ***NIP Note, Mortgage and Security Agreement*** will depend on the election to draw funds and other factors such as how the acquisition or demolition activities are financed. Regardless of whether the lender is the Lead Entity or SCSHFDA, NIP staff will prepare the loan closing documents and provide them to the selected closing attorney. Information necessary for loan document preparation is submitted on the ***NIP-3 Loan Closing Request Form***. Requests for closing documents must be submitted at least fourteen (14) business days prior to the anticipated closing date.

The modified note will be a 0%, non-amortizing loan, for an amount up to \$35,000, forgivable over a three (3) year term at 33.33% per year as long as program requirements are met. The outstanding balance of the loan will be due and payable upon sale, transfer, or unauthorized use of the property. The Assignment and Modification Agreement will be issued at final inspection approval and must be recorded prior to the release of NIP funds. Ongoing loan servicing (i.e., repayments and lien releases) will be handled by NIP staff. Repayments of NIP funds will be re-invested back into the program. Special considerations may be made by NIP staff to release or subordinate its lien prior to the end of the term based on the merit of the request and the impact on the local community.

ELECTION TO DRAW FUNDS

Three options are available for the disbursement of funds. One of the three options must be selected for each property during the property approval process. The election to draw funds is selected on Page 2 of the ***NIP-2 Property Eligibility Form***. Funds can be disbursed in one FINAL disbursement request upon approval of the FINAL Inspection, or a two or three disbursement plan may be selected, depending on if the property is undergoing quiet title action. Refer to Page 22 for details.

Environmental Factors

Formal environmental assessments are not required; however, Lead Entities and Partners are expected to consider environmental factors when acquiring and demolishing properties.

ASBESTOS AND LEAD-BASED PAINT

Lead Entities and Partners must follow all applicable state and local regulations, laws, and policies in effect regarding asbestos and lead-based paint. Lead Entities and Partners undertaking asbestos hazard abatement activities must document proper disposal. Questions regarding asbestos requirements should be directed to the Department of Health and Environmental Control (DHEC) by contacting James Hinkle at 803-898-7586 or hinkleje@dhec.sc.gov. Questions concerning DHEC's requirements for lead-based paint should be directed to DHEC staff at 803-896-0655.

ENVIRONMENTAL CONSERVATION

The SCHC and SCSHFDA support the efficient (green) use of resources, including deconstruction and recycling. When considering deconstruction and recycling, cost factors related to environmental factors such as lead-based paint that may be present should be taken into consideration when weighing the overall benefit. In addition, the potential to generate program income must be taken into consideration.

Initial Inspections & Cost Analysis

Once a property's eligibility has been approved and the Partner has site control the initial inspection is requested by submitting a **NIP-6 Inspection Request Form**. Initial inspection request must include a color photo of the front of the property. If the Lead Entity or Partner has plans to sell, donate, or recycle components of the building, detailed plans and photos must be provided with the initial inspection request. Once the inspection request is received, the contact person listed on the **NIP-6 Inspection Request Form** will be notified that the request has been received and when they can expect to be notified of the inspection results. A site visit will be conducted to confirm the blighted and vacant condition of the property.

The **NIP-5 Cost Analysis** must be submitted with a copy of the asbestos and/or hazardous material evaluation reports, and invoices for such testing (if applicable). The **NIP-5 Cost Analysis** may be completed by a staff member of the Lead Entity/Partner or an external firm or individual may be used. If an external firm or individual is used, that firm or individual may not submit a bid or be awarded a contract to perform any work or services identified in the cost analysis. Procurement for demolition services should not begin until NIP staff has provided notification that the initial inspection request has been approved. *Refer to **Program Notice 9** for details regarding pricing per sq. ft. when completing the **NIP-5 Cost Analysis**.

Note: An initial inspection must be approved prior to the release of funds for acquisition.

Procurement and Contracting

PROCUREMENT REQUIREMENTS

As of January 27, 2017 procurement for contracts and services performed for NIP projects must be in compliance with 2 CFR Part 200. In an effort to ensure cost reasonableness and fair and open competition, the services of demolition contractors and other NIP services, such as environmental testing and remediation, must be procured. All procurement transactions shall be conducted in a

manner to provide, to the maximum extent practical, open and free competition consistent with practices required under federal, state, and local laws. Lead Entities and Partners shall be alert to personal and organizational conflicts of interest as well as noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. Solicitations shall clearly set forth all requirements that the bidder shall fulfill in order for the bid to be evaluated. Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources. Lead Entities and Partners are responsible for screening contractors. The screening requirements should be rigorous enough to screen out unqualified or unstable contractors but not so stringent as to prevent the participation of an adequate number of competent contractors. Lead Entities and Partners are required to follow the procurement policies that are submitted and approved per the requirements of **Program Notice 9**. Procurement policies must be in compliance with 2 CFR Part 200, include conflicts of interest requirements, and state a preference for the use of minority and women owned businesses. Documentation of procurement, such as the bid advertisement, bid package, and bid tabulation with quotes received must be submitted with drafts of the contract to be awarded.

AWARDING CONTRACTS

Contracts awarded for demolition must be 10% above or below the approved **NIP-5 Cost Analysis**. Contracts outside of the 10% range may only be awarded at the discretion of NIP staff.

The following minimum requirements apply to contractors selected to conduct work for NIP projects:

1. **Liability Insurance:** Contractors must have adequate liability and property damage insurance.
2. **Workers Compensation:** Contractors with employees must have workers compensation insurance. Private contractors operating a sole proprietorship that have no employees are exempt from this requirement; however, they must have proof of adequate private medical insurance coverage.
3. **Debarment:** Lead Entities and Partners must verify selected contractors are not listed on the Federal debarment list. A contractor's status must be verified at www.sam.gov
4. **Performance:** Lead Entities and Partners must identify and document policies and procedures for barring poor performing contractors from continuing to participate in the program; and
5. **Licensing:** All individuals and firms performing services for NIP must possess a valid business license. Contractors must meet state and local licensing requirements subject to the scope of work they have been contracted to perform. Contractors performing asbestos abatement activities must have an asbestos abatement project license issued by DHEC.

Drafts of all contracts for professional services and demolition related activities **MUST** be submitted to NIP staff for approval prior to execution. Demolition, abatement, and/or site restoration (greening) contracts must include a **NIP-7 NIP Contract Addendum**. The contract addendum itemizes the amounts of the contract that will be spent for abatement, demolition and site restoration (greening). The addendum is mandatory and must be included in all drafts submitted for approval. This level of cost itemization is necessary to meet Treasury's reporting requirements for these specific expense items. To meet financial management requirements, expenses must be tracked and associated to each specific property. If a contract is awarded to provide demolition or other services for multiple properties, the addendum must itemize the costs for each property included in the contract. When electing to bundle multiple properties under one contract, consideration must be taken to ensure the number of

properties included in the contract does not impede progress. The contractor's expectation for payment must also be considered. Funds paid for demolition expenses will not be released until the entire scope of work included in the contract has been completed. Contracts awarded should only contain approved NIP properties. Including properties in contracts that are not included in the NIP portfolio of approved properties is not allowable. In addition to **NIP – 7 Contract Addendum**, contracts must at a minimum contain the following:

1. Start date and completion date;
2. Total compensation to be paid for the work;
3. **NIP-7 Contract Addendum**
4. Responsibilities, terms and conditions for all parties;
5. Daily property maintenance and site cleanup provisions;
6. Any requirements and limitations regarding sub-contractors;
7. Work specifications;
8. Signatures of parties and dated;
9. Procedures for inspections, payments, changes in the scope or cost of work;
10. Termination of the contract;
11. Requirements regarding the release of liens;
12. All applicable warranties; and
13. Procedures for settling of disputes.

NIP funded projects may not employ any contractors or subcontractors that have been debarred or suspended from participating in federally funded programs. A listing of debarred contractors can be found on the **System for Award Management (SAM)** web-site at <http://sam.gov>. NIP Lead Entities and/or Partners are responsible for checking the website to verify a contractor's status prior to executing contracts. All contractors and subcontractors awarded contracts must sign the **NIP-8 Debarment Certification Form** certifying that they are not included on the Excluded Parties Listing System and are eligible to participate in federally assisted projects. A copy of the results generated from the SAMS website must be submitted with the **NIP-8 Debarment Certification Form**.

DRAFT copies of contracts must be submitted with the following documentation for review and approval prior to execution of the contract.

- **NIP-14 Contract Submittal Form**
- **NIP-7 NIP Contract Addendum**
- **NIP-8 Debarment Certification Form with SAMS website results**
- **NIP-9 Conflict of Interest Certification Form**
- Copy of License applicable to the trade or service being performed
- Documentation of the contractor's hazard, liability and workmen's compensation insurance
- Documentation of procurement (copy of advertisement for bids, bid package, and bid tabulation)

Once the draft of the contract has been approved the EXECUTED copy must be submitted to NIP staff along with **copies of permits** required to perform the services of the contract.

For subcontracts, the following information must be submitted:

- **NIP-14 Contract Submittal Form** (only complete items noted for sub-contractors)

- **NIP-8 Debarment Certification Form** with sam.gov search results
- Documentation of insurance (liability, hazard, worker' compensation)
- Copy of the subcontractor's license appropriate to the scope of work being performed

CHANGE ORDERS

Change orders must be approved by NIP staff prior to completing the scope of work identified the change order. Change orders are necessary when changes arise to the scope of work or costs identified in executed contracts. Change orders should be kept to an absolute minimum and are for unforeseen problems or issues that arise during demolition. Change orders will not be used to correct bidding computation errors. Change orders should be agreed upon and signed by the owner and contractor and submitted to NIP staff for review and approval prior to completing the work included in the change order. Submitting a change order after the work has been completed may render the expense related to the change order ineligible. Change orders will be evaluated for cost reasonableness and necessity. Change orders will also be reviewed to determine whether or not the change in cost or scope of work will affect the approved property or project budget. To request approval for a change order, a copy of the change order must be submitted with an **NIP-6 Inspection Request Form**. All change orders must be submitted and approved by NIP staff prior to submitting a request for a final inspection.

Final Inspections

After the completion of demolition and greening (site restoration) has occurred, properties must pass a final inspection approved by NIP staff. Inspections must be requested using the **NIP-6 Inspection Request Form**. The form along with color photos of the property must be submitted. The photos submitted must be taken DURING demolition **and** AFTER greening has been completed. Inspection requests should not be submitted until all the demolition and greening work has been completed.

The following documentation must be submitted with FINAL inspection requests:

- **NIP-6 Inspection Request Form**
- Disposal records for all hazardous and non-hazardous materials
- Color photos taken DURING demolition and AFTER greening has been completed
- Disposal records for demolished mobile homes, if applicable
- Records detailing the donation, sale, or recycling of any materials (if applicable)

NOTE: * Important information regarding final inspections is contained in **Program Notice 6**.

Disbursement of Funds

Funds will not be disbursed until the initial inspection has been approved and the note and mortgage have been closed and the executed/recorded documents have been submitted to NIP staff. During the property eligibility approval process an election to draw funds is determined for each property. Funds can be disbursed in one FINAL disbursement request upon approval of the FINAL Inspection, or a two disbursement plan may be selected.

Option 1: ONE FINAL disbursement request will be submitted to NIP staff for the property at the completion of demolition and site greening. In this scenario, the lender on the **NIP Note, Mortgage and Security Agreement** will depend on how the property is financed. The NIP Note, Mortgage and Security

Agreement must be closed at the time of acquisition or promptly after the initial inspection has been approved by NIP staff. The ***NIP Note, Mortgage and Security Agreement*** documents will be prepared by NIP staff and issued directly to the closing attorney. Upon approval of the final disbursement request, the NIP funds will be released to the closing attorney along with the ***Assignment and Modification Agreement*** documents.

Option 2: TWO disbursement requests will be submitted to NIP staff for the property. The initial disbursement request will be for acquisition expenses and the second and FINAL disbursement request will be submitted for demolition, greening, and maintenance expenses upon approval of the final inspection. In this scenario, SCSHFDA will be the lender on the ***NIP Note, Mortgage and Security Agreement***. The ***NIP Note, Mortgage and Security Agreement*** documents will be issued directly to the closing attorney. NIP staff must be in receipt of the executed and recorded note and mortgage prior to releasing funds for the initial disbursement request.

Option 3: This option is only available for properties undergoing quiet title action. THREE disbursement requests may be submitted to NIP staff for the property. The initial disbursement request will be for acquisition expenses and the second for demolition expenses. The FINAL disbursement request will be submitted for legal expenses incurred to quiet the title upon issuance of the Judge's Order. In this scenario, SC Housing will be the lender on the ***NIP Note, Mortgage and Security Agreement***. The ***NIP Note, Mortgage and Security Agreement*** documents will be issued directly to the closing attorney. NIP staff must be in receipt of the executed and recorded note and mortgage prior to releasing funds for the initial disbursement request.

Disbursement for Acquisition Costs – As stated above, payment can be requested for reimbursement of acquisition costs after the closing has occurred or arrangements may be made to have funds provided at the time of closing. If funds are needed at closing they will be disbursed directly to the closing attorney with the loan closing package, to be held until in escrow until closing. Partners requiring funds at the closing will need to make prior arrangements with NIP staff to ensure documents are provided within required timeframes to ensure funds can be issued in time for the scheduled closing. Refer to acquisition requirements on Page 17 for details. **Prior to the release of funds for acquisition the initial inspection must be approved.**

Disbursement of Maintenance Fee - The \$35,000 limit per property includes a one-time project maintenance fee of \$3,000 per property. Project maintenance fees will only be released upon approval of the final inspection and must be requested by inclusion of an invoice as part of the final disbursement request. Due to individual site characteristics and future plans of a site, the actual cost of maintenance over the NIP lien period may vary from property to property. In an effort to offset maintenance costs for properties that may exceed the \$3,000 limit, it is permissible to aggregate funds disbursed for project maintenance fees into one account that can be allocated over their entire stock of NIP properties.

DISBURSEMENT REQUEST FORMS AND DOCUMENTATION

To request funds, a ***NIP-10 Disbursement Request Form*** accompanied with the appropriate documentation must be submitted. Once a draw request is approved, processing time for disbursing funds is expected to take no longer than fourteen (14) business days. Funds will only be released for properly documented expenses and approved completed work. To set up payees in the system an ACH

Payment Form and a W-9 need to be submitted for each organization that will be receiving the disbursements. The flow of funds is dependent upon the election to draw funds.

Summary of Items Required for Disbursement Requests:

Option 1 – ONE FINAL Disbursement

- A. ***NIP-10 Disbursement Request Form***
- B. ***NIP-6 Inspection Request Form***
- C. Acquisition Expenses
 - Deed
 - HUD-1 Settlement Statement (draft if funds are needed at closing)
 - Invoices for items paid outside of closing
- D. Demolition/Greening/Maintenance Expenses
 - Invoices for all expenses requested
 - Copies of Lien Releases
 - Invoice for Project Management/Maintenance Fee

Note: Assignment and Modification Agreement documents will be prepared and sent with FINAL Disbursement to closing attorney.

Option 2 – TWO Disbursements

Initial Disbursement – *Funds being reimbursed for acquisition*

- A. ***NIP-10 Disbursement Request Form***
- B. Acquisition Expenses
 - Deed
 - HUD-1 Settlement Statement
 - Invoices for items paid outside of closing

Note: Recorded Note and Mortgage must be submitted before disbursement can be released.

Initial Disbursement – *Funds needed at closing to acquire property*

- C. ***NIP-10 Disbursement Request Form***
- D. Acquisition Expenses
 - ***NIP-3 Loan Closing Request Form***
 - Unexecuted deed
 - A legal description for the NIP note and mortgage “Exhibit A”, prepared by the closing attorney in a word.doc format. The legal description must include a derivation clause referencing the sale of the property from the owner to the Partner organization.
 - HUD-1 Settlement Statement – Draft
 - Closing Attorney’s W-9 Form

Note: Note and Mortgage will be issued to closing attorney with disbursement made payable to closing attorney. Properties undergoing quiet title action may also request a disbursement for demolition expenses upon approval of the final inspection.

FINAL Disbursement:

- A. ***NIP-10 Disbursement Request Form***
- B. ***NIP-6 Inspection Request Form***
- C. Demolition/Greening/Maintenance Expenses
 - Invoices for all expenses requested

- Copies of Lien Releases
- Invoice for Project Management/Maintenance Fee

Note: Assignment and Modification Agreement documents will be prepared and sent with FINAL Disbursement to closing attorney. If quiet title action is being undertaken the demolition expenses may be requested in a 2nd general funds draw after the final inspection has been approved.

Maintenance of Properties

While Lead Entities and Partners may have existing redevelopment plans in place for demolished properties, in many cases the future use of a site may not be determined for several years. Lead Entities and Partners must ensure that they have a workable strategy in place for maintaining properties in a manner that enhances the neighborhood. Maintenance fees must be used for costs incurred to maintain sites, including mowing, trimming, and trash removal. NIP properties must be free of nuisances at all times. NIP staff will monitor the maintenance of NIP sites throughout the three (3) year lien period.

Quarterly Reporting Requirements

Quarterly reporting is required for all Lead Entities and Partners. Lead Entities will submit quarterly reports using the **NIP-12 Quarterly Report Form** by the deadlines imposed below for the duration of the award period. Reports must be submitted by or prior to the deadlines. Lead Entities must coordinate their report submission with their Partners. Time needed to review and revise reports must be taken into consideration when establishing a timeframe for which reports must be submitted by the Partner to the Lead Entity. Lead Entities must review all Quarterly Reports for accuracy prior to submission to NIP Staff. Reminders of approaching due dates will be sent out by NIP staff by email at least **(30)** days in advance of the submission deadline. Quarterly reports must be received **no later than 5:00 p.m.** on the required deadlines in order to allow for necessary corrections/clarifications prior to SCHC’s submission deadline to Treasury. No extensions will be made for quarterly report submission deadlines.

QUARTERLY REPORT SUBMISSION DEADLINES

1st Quarter January 1 – March 31	Due April 15
2nd Quarter April 1 – June 30	Due July 15
3rd Quarter July 1 – September 30	Due October 15
4th Quarter October 1 – December 31	Due January 15

Award Close-Out

FINAL CLOSE-OUT REPORT

A final report summarizing completed demolitions and property disposition is required at the expiration of the award period. Guidance on the contents of the report and specific metrics that will be used to measure program outcomes is forthcoming. The report will include information regarding the number of properties acquired and demolished, the total amount of NIP funds expended, other sources leveraged, and program accomplishments such as the community and economic benefits realized to date. NIP staff will collaborate with Treasury to produce the final report, utilizing specific metrics that will be determined at a later date to measure the impact NIP funding has had in the local community. In the meantime,

Lead Entities and Partners should be tracking known relevant measurable factors such as a decline in the number of foreclosures, number of sales transactions, increases in property values, improved crime statistics, increase in tax revenue collected, reductions to the number of emergency response calls, newly invested private or public investment, and other such relevant factors throughout the duration of the award period. Immediate impacts such as improved quality of life and sense of security should be documented through the use of citizen comments and media publicity.

COMPLIANCE MONITORING

Lead Entities and Partners must comply with the quality control and compliance measures that SCHC, and Treasury deem necessary; these measures include site visits, remote desktop reviews of supporting documentation, file audits, and other measures to ensure compliance with requirements set forth in the written Agreement, Guidelines, Implementation Manual, and NIP notices.

At any time with reasonable notice, and as often as may deem necessary and in such a manner as not to unreasonably interfere with the normal business operations, the Lead Entity and Partner shall make available to SCHC, Treasury, or their designees, for examination, all of its records with respect to matters covered by the NIP program including, but not limited to, records of personnel and conditions of employment and shall permit SCHC, Treasury, or their designee to audit, examine, and make excerpts or transcripts from such records.

Ongoing loan servicing (i.e., repayments and lien releases) will be handled by NIP staff. Repayments of NIP funds will be re-invested back into the program. Special considerations may be made by NIP staff to release or subordinate its lien prior to the end of the term based on the merit of the request and the impact on the local community.

DISPOSITION OF PROPERTIES

After the release of the NIP loan at the end of year three (3), there are no required end uses mandated for NIP properties. Lead Entities and Partners are strongly encouraged to utilize properties in ways that are beneficial to the neighborhood and surrounding community. Special considerations may be made by SCHC for the early release or subordination of its lien prior to the end of the term based on the merit of the request and the impact of the proposed use of the property on the local community. Partners requesting early lien release for such circumstances must submit a request in writing to NIP staff.

Forms

Property File Checklist NIP-1

Property Eligibility Form..... NIP-2

Loan Closing Request NIP-3

Cost Analysis NIP-5

Inspection Request..... NIP-6

NIP Contract Addendum NIP-7

Debarment Certification NIP-8

Conflict of Interest Certification..... NIP-9

Disbursement Request..... NIP-10

W-9/ACH Forms NIP-11

Quarterly Report NIP-12

Confidentiality Form NIP-13

Contract Submittal Form..... NIP-14

Budget Revision Form NIP-15

Administrative Expense..... NIP-16

Ethics, Fraud, Conflict of Interest and Privacy: Annual Certification Form..... NIP-17

Forms are located on the NIP webpage at:
http://www.schousing.com/Housing_Partners/Neighborhood_Initiative_Program

Revisions

Revisions effective 5/1/15

- Historic Preservation, Page 15 – Clarification added to allow the use of systems equivalent to Archsite to document historical significance.
- Final Inspection, Page 21 – Bullet added to include the disposal records of mobile homes, if applicable

- Maintenance of Properties, Page 23 – Information regarding non-compliance fees has been removed.

Revisions effective 6/12/15

- Qualifying Loan, Page 3- Information regarding the bundling of loans was removed.
- Vacant Property, Page 3- Definition was expanded upon by clarifying legal resident.
- Conflict of Interest, Page 8- Certification requirements were clarified that NIP participants must execute the NIP-9 form.
- Conflict of Interest, Page 8- The words “and organizational” were removed.
- Financial Management, Page 9- The word “grant” was removed.
- Property File Checklist, Page 10- The word “partners” was added.
- Process Flow for Completion of Activities, Page 13- Bullet for Property Location was added, Historic Register Status was replaced with Historical Significance.
- Property Budgets and Eligible Expenses, Page 13- Clarification was added to the expenses eligible to transfer properties.
- Pre-demolition Cost, Page 14- Cost necessary to board up or secure property and property insurance was added.
- Management/Maintenance, Page 14- Clarification that funds cannot be used for administrative costs was added.
- Property Approval Process, Page 14- Clarification that properties in historic districts will be sent to SHPO for approval was added.
- Property Location, Page 15-Information regarding submitting one map with historical significance and coordinates was removed.
- Acquiring Properties, Page 16- Documenting fair market value was clarified with addition of requirements for a broker’s opinion of value.
- Pre-Acquisition, Page 17- Documenting fair market value was expanded upon. Conflict of Interest Certification was added.
- Post-Acquisition, Page 17- The words “prior to demolition” were added.
- Loan Closing Requirements, Page 17 – The word “modified” was inserted in the first sentence of the second paragraph
- Initial Inspections, Page 18- Clarification that the partner has site control when requesting the initial inspection was added.
- Procurement Requirements, Page 19- The word “demolition” was removed.
- Awarding Contracts, Page 20- The words “copies of permits” were bolded.
- Final Inspections Page, 21-The 5th bullet requiring records detailing the donation or sale or any materials were added.
- Option 1, Page 22-The words “will depend on how the property is financed” were added.
- Option 1, Page 22- Note added about submitting agreement before draw can be processed.
- Disbursement of Project Management/Maintenance Fee Page 22-The word “maintenance” was added.
- Option 2, Page 22- The words “draft if funds are needed at closing” were added.
- Option 2, Page 22- NIP-3 was removed from list of required forms for initial disbursement.
- Option 2, Page 23- Note about submitting note and mortgage before release of draw was added.

Revisions effective 6/25/15

- Property Budgets and Eligible Expenses, Page 14 – revised to state the amount of NIP funds expended on acquisition cannot exceed fair market value.

- Acquiring Properties, Page 16 – first sentence revised to state the amount of NIP funds expended on acquisition cannot exceed fair market value.
- Acquiring Properties, Page 16 – second paragraph, language was added to clarify that properties must pass an initial inspection prior to the release of funds for acquisition.
- Acquiring Properties, Page 17 – language added to clarify that properties must pass an initial inspection prior to the release of funds for acquisition.
- Acquiring Properties, Page 17 – date of program inception added
- Acquisition of Properties, Page 17 – “realtor valuation” replace with “broker opinion of value”
- Acquisition of Properties, Page 17 –information added to provide clarification on items that must be submitted when funds are needed at closing.
- Loan Closing Requirements, Page 17 – Timeframe to submit NIP-3 Loan Closing Request Form revised from two (2) weeks to fourteen (14) business days.
- Initial Inspection, Page 18 – Information added to require detailed plans and photos be provided if Lead Entity or Partner has plans to sell, donate, or recycle components of the building.
- Initial Inspections, Page 19 – NOTE added stating a property must pass initial inspection prior to release of funds for acquisition.
- Disbursement of Funds, Page 21 – In the first sentence “NIP loans” was replaced with “note and mortgage”.
- Final Inspections, Page 21 – word “recycled” was added to bullet 5.
- Disbursement of Funds Option 1, Page 22 – Last sentence in paragraph revised to state “Upon approval of the final disbursement request, the NIP funds will be released to the closing attorney along with the **Assignment and Modification Agreement** documents.
- Disbursement of Funds Option 2, Page 22 – Last sentence in paragraph the words “closing documents” replaced with “note and mortgage”.
- Disbursement for Acquisition Costs, Page 22 – Last sentence in paragraph the reference to “Loan Closing Requirements” was replaced with “Acquisition Requirements”. Language added to clarify a property must pass initial inspection prior to the release of funds for acquisition.
- Disbursement Request Forms and Documentation, Page 23 – Note under Option 1 revised to state “Assignment and Modification Agreement documents will be prepared and sent with FINAL Disbursement to closing attorney.
- Disbursement Request Forms and Documentation, Page 23 – Note under Option 2 FINAL Disbursement revised to state “Assignment and Modification Agreement documents will be prepared and sent with FINAL Disbursement to closing attorney.

Revisions effective 7/27/15

- Financial Management, Page 8 – Language added to state when annual financial statements are required to be submitted to NIP Staff.
- Property Approval Process, Page 15 – Language added to clarify that properties not located within close proximity to other residential structures are not eligible.

Revisions effective 8/14/15

- Financial Management, Page 10 – Contact information for reporting fraud was updated.

Revisions effective 8/20/15

- Election to Draw Funds, Page 18 – Reference to page number in last sentence of paragraph was revised from 21 to 22.
- Final Inspections, Page 22 – 2nd bullet was revised to state “Disposal records for all hazardous and non-hazardous materials”
- Disbursement of Funds, Page 22 – 1st paragraph was revised to state funds will not be released until the note and mortgage have been closed and the initial inspection has been approved.

Option 1 paragraph, the 3rd sentence was revised to state the note and mortgage should be closed at acquisition or promptly after the approval of the initial inspection.

- Property Approval Process, Page 15 – Vacant lot included in bulleted list of ineligible property types

Revisions effective 10/02/15

- Initial Inspections, Page 19 – Language added to state that cost analyses no longer are required to be completed by an independent third party.
- Awarding Contracts, Page 20 – Language added to Bullet 5 to provide clarification on licensing requirements.
- Acquiring Properties, Page 17 – Language added to clarify an unexecuted deed and legal description prepared by the closing attorney must be provided with the NIP-3 Loan Closing Request Form when requesting funds at closing.
- Disbursement Request Forms and Documentation, Page 24 – Under initial disbursement, bullet 2 language added to clarify an unexecuted deed and legal description prepared by the closing attorney must be provided with the NIP-3 Loan Closing Request Form when requesting funds at closing.

Revisions effective 11/13/15

- Abandoned Properties, Page 4 – Definition for Abandoned Properties was added.
- Blighted Structure, Page 4 – Definition of a blighted structure has been expanded.
- Residential, Page 5 – Definition of residential has been expanded.
- Ineligible Properties, Page 15 – Bullet 3 added stating “Properties located in historic districts considered by SHPO to be Contributing” are not eligible. The word “abandoned” was added to bullet 4.

Revisions effective 11/18/15

- Acquiring Properties, Page 17 – Language added to provide clarification on the requirements for submitting the Exhibit A - legal descriptions for the NIP note and mortgage.
- Initial Disbursement, Page 24 – Language added to provide clarification on the requirements for submitting the Exhibit A - legal descriptions for the NIP note and mortgage.

Revisions effective 3/08/16

- Definitions, Page 5 – Language added to clarify that properties must be vacant at the time of submission.
- Property Budgets and Eligible Expenses, Page 14 – Language added to state payment of liens is subject to review to determine eligibility.
- Property Approval Process, Page 14 – Language added to clarify that properties must be vacant at the time of submission.
- Election to Draw Funds, Page 18 – Language revised to include the option to elect three disbursements for properties undergoing quiet title action.
- Disbursement of Funds, Pages 22 and 24 – Language added to include the option to elect three disbursements for properties undergoing quiet title action.

Revisions effective 4/12/16

- Contact Information, Page 3 – Staff contact information has been updated.

Revisions effective 5/9/16

- Program Calendar, Page 3 – Dates for Round 2 funding have been added.
- Property Budgets and Eligible Expenses, Page 14 – Property maintenance fee increased to \$3,000 and administrative expenses up to \$1,750 per property added.

Revisions effective 5/23/16

- Disbursement of Funds, Page 23 – Property maintenance fee increased to \$3,000.

Revisions effective 8/18/16

- Financial Accountability, Page 8 – Submission requirements for annual audited financial statements has been revised to 120 days from the end of the entities fiscal year. Requirements for quarterly financial reporting have been added.

Revisions effective 1/27/17

- Cover Page – Title has been revised to demonstrate the Guidelines and Implementation Manual have been combined into one document.
- Program Calendar, Page 3 – Program close-out date for Round 1 funding has been revised to 12/1/2017.
- Financial Accountability, Page 8 – Language has been revised in accordance with information contained in Program Notice 8 and Program Notice 9.
- Property Budgets and Eligible Expenses, Page 14 – Language has been revised in accordance with information contained in Program Notice 9.
- Acquiring Properties, Page 16 – The requirement of an appraisal or broker opinion of value for NIP acquisition expenses equal to or exceeding \$25,000 has been added.
- Asbestos and Lead-Based Paint, Page 19 – DHEC contact information has been updated.
- Initial Inspections and Cost Analysis, Page 19 –language has been updated stating that information for **the NIP-5 Cost Analysis** can be submitted separately from **the NIP-6 Inspection Request Form** requesting the initial inspection.
- Procurement and Contracting, Page 19 and 20 – Language has been added requiring procurement be conducted in compliance with 2 CFR Part 200. Language containing information about identity of interest relationships has been removed.
- Awarding Contracts, Page 21 – Language has been added to include requirement for subcontractors.
- Forms, Page 27 – **NIP-4 Identity of Interest Certification Form** has been deleted

Revisions effective 2/15/17

- Program Calendar, Page 3 – Program deadlines have been updated to reflect revised deadlines issued in Program Notice 10.
- Financial Monitoring/Reporting Fraud, Page 10 – Contact information for reporting fraud has been updated.

Revisions effective 6/09/17

- Financial Monitoring/Reporting Fraud, Page 10 – SIGTARP link for reporting fraud has been updated.